

ATLANTIC NORTHEAST RAILS & PORTS

Helping to move rail and port traffic through New England, the Maritimes, & eastern Québec.
A weekly trade newsletter.

operating railroads + ports, intermodal facilities, and government environment

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Issue 06#05B 26 May 2006

*Article unchanged from e-bulletin.

REGIONAL ISSUES

PW: First quarter 24.3% increase in traffic volume.*

International Salt: Sold to K+S.

Pan Am: Wins silver Harriman.*

Gulf of Maine: Update on ferry services.

CONNECTICUT

PW: Simkins closing.

New Haven: Logistec resumes rail.

New Haven: Land use study underway.

MAINE

MAINE RAIL SHIPPER SURVEY: Guilford shows improvement, MMA worsening.*

GRS: Satisfied customer Correct Deck

MDOT: IRAP update, state pushes rail.

MAINE & Co: Marketing the rail advantage.

Spraying: RWC hired by all railroads.*

SLR: Intermodal down again?*

Portland: Largest oil port on East coast, and largest by tonnage in New England.

MASSACHUSETTS

COMMUTER RAIL: Global expansion?

BCLR: Update on customers.*

CSXT: No new waste customer in Medfield.

GRS: New England Transrail argues that no delay is needed for the STB to decide.*

MCER: AB C&D is not yet railing construction and demolition debris.*

MCER: Finger Lakes is resigning as manager;* Hoepfner resumes; ending lease on intermodal

cars.*

NEW HAMPSHIRE

Portsmouth: Update on traffic.

Road salt: Bids due 25 May.

RHODE ISLAND

[No report.]

VERMONT

VRS: Matthew Sternberg leaving; will this slow the moving of the Rutland Rail Yard?*

MARITIMES/QUÉBEC

CN: New customer Black Bull from Shelburne.

CN intermodal: Analysis of trains and TEUs.

Halifax: Vision documents remain hidden.

Shelburne: Update on maritime traffic.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Stephen Wilson.

EDITORIAL

Maine Public Advocate should get apples to apples.

FROM THE PUBLISHER

Thanks to MRG and 470

Great meeting in Rockland! Rob Elder and Matt Jacobson presented ideas on promoting rail. I met people with whom I had only spoken. Thanks to those two organizations.

- Chop Hardenbergh

Next issue 12 June.

Common abbreviations: **BCLR** - Bay Colony RR, **BML** - Belfast & Moosehead Lake RR, **CBNS** - Cape Breton and Central Nova Scotia Ry, **CCCR** - Cape Cod Central RR, **CCRR** - Claremont Concord RR, **CFQ** - *chemins de fer Québec* System, **CMAQ** - congestion-mitigation or air quality (money from the US federal government for these purposes), **CN** - Canadian National Ry, **ConnDOT** - Connecticut Department of Transportation, **CPR** - Canadian Pacific Ry, **CSO** - Connecticut Southern RR, **CSRX** - Conway Scenic RR, **EOT** - Mass. Exec. Office of Transportation, **GRS** - Guilford Rail System (Maine Central RR, Portland Terminal RR, Boston & Maine, all leased by **ST** - Springfield Terminal Ry), **GTI** - parent to GRS, **GW** - Genesee & Wyoming Inc, **FHWA** - Federal Highway Admin., **FRA** - Federal Rail Admin., **FRTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **HRCR** - Housatonic RR, **MERR** - Maine Eastern RR, **MBCR** - Mass. Bay Commuter RR, **MBRX** - Milford-Bennington RR, **MBTA** - Mass. Bay Transportation Authority, **MCER** - Mass. Central RR, **MDOT** - Maine Department of Transportation, **MERR** - Maine Eastern RR, **MMA** - Montréal, Maine and Atlantic Ry, **MPO** - Metropolitan Planning Organization, **MTQ** - Québec Ministry of Transport, **NAUG** - Naugatuck RR, **NBDOT** - New Brunswick Department of Transportation, **NBSR** - New Brunswick Southern Ry, **NECR** - New England Central RR, **NEGS** - New England Southern RR, **NHCR** - New Hampshire Central RR, **NHDOT** - NH Department of Transportation, **NHN** - New Hampshire Northcoast RR, **NNEPRA** - Northern New England Passenger Rail Authority, **NSDOT** - Nova Scotia Department of Transportation, **Pan Am** - new name for GRS, **PVRR** - Pioneer Valley RR, **PW** - Providence & Worcester RR, **QCR** - Quebec Central Ry, **RIDOT** - Rhode Island Department of Transportation, **Seaview** - Seaview Transportation Company, **SLQ** - St. Lawrence & Atlantic Ry (Québec), **SLR** - St. Lawrence & Atlantic RR, **TIRR** - Turner's Island LLC, **TEU** - twenty-foot equivalent unit (measure of container traffic, equal to a 20x8x8 foot box), **VAOT** - Vermont Agency of Transportation, **VRS** - Vermont Rail System (Green Mt. RR Company **GMRC** + Vermont Ry **VTR** + Clarendon&Pittsford RR **CLP** + Washington County RR **WACR**), **WHRC** - Windsor and Hantsport Ry.

REGIONAL ISSUES

PW: FIRST QUARTER RESULTS

15 May, Worcester. **PW HAD A 24.3% INCREASE IN TRAFFIC VOLUME** compared to 1Q05, according to the 10-Q report filed with the Securities and Exchange Commission. ‘Operating revenues increased \$967,000, or 17.1%, to \$6.6 million in the first quarter of 2006 from \$5.7 million in the first quarter of 2005. This increase results from an \$839,000 (18.8%) increase in conventional freight revenues and a \$132,000 (18.6%) increase in container freight revenues. Other freight revenues and other operating revenues had a net decrease of \$4,000 (.9%) between quarters.’

Conventional car loadings

The increase in conventional freight revenues results from a 24.3% increase in traffic volume partially offset by a 4.4% decrease in the average revenue received per carloading. The Company's conventional carloadings increased by 1,283 to 6,569 in the first quarter of 2006 from 5,286 in the first quarter of 2005. Significant increases in coal and construction aggregate traffic, both lower-rated commodities, largely account for the decrease in the average revenue received per carloading.’

Containers off again, slightly

As true for the entire year 2005 [see 15 May issue], ‘The increase in container freight revenues is primarily the result of a 19.8% increase in the average revenue received per container. Container traffic volume decreased by 158 containers, or 1.0%, to 15,192 in the first quarter of 2006 from 15,350 in 2005. The increase in the average revenue received per container is attributable to contractual rate adjustments based upon railroad industry cost indices, as well as a continuing shift in the mix of containers handled toward higher-rated containers.’

Seasonality

‘Historically, the Company's operating revenues are lowest for the first quarter due to the absence of construction aggregate shipments during a portion of this period and to winter weather conditions.’ {text of 10-Q}

PAN AM: ANOTHER HARRIMAN

16 May, DC. **THE E.H. HARRIMAN MEMORIAL SAFETY AWARDS’ #2 GROUP C HONOR** was awarded by the Association of American Railroads (AAR) to Pan Am during a luncheon. In Group C, which recognizes line-haul railroads whose employees worked fewer than 4 million hours, Florida East Coast Railway took gold, Pan Am Railways won silver and the Elgin, Joliet & Eastern Railway bronze. {AAR press release}

Pan Am, until recently known as Guilford Rail Systems, achieved an injury ratio of 1.33 injuries per 200,000 man-hours worked in 2005. Pan Am's safety record was third-best in the nation. {Lowell Sun 18.May.06}

INTERNATIONAL SALT: SOLD

22 April, Kassel, Germany. **K+S FORMALLY ANNOUNCED ITS PURCHASE OF INTERNATIONAL SALT** [see 06#03A].

Sellers

Chilean salt producer Sociedad Punta de Lobos S.A. (SPL) was sold by a group of Chilean private shareholders and CVC; SPL owned International Salt.

Buyers

K+S Aktiengesellschaft [stock company] is headquartered here; esco (european salt company) is part of K+S Group. Contrary to the story in 06#03A, esco will apparently not own SPL. {K+S press release}

GULF OF MAINE FERRY SERVICES

SHELBURNE-BOSTON

Gene Hartigan, who has worked for eight years to create the service, said on 24 May that he still seeks a ship which can receive Coast Guard approval. After three tries, he may bid on another in the coming weeks.

Contrary to his position in 2005 [see 05#05B], he is encouraging commercial cargo “if it does not compromise safety. It will have to meet strict guidelines.”

He anticipates sailing the Boston-Shelburne lane in the summer, and a Carribean lane in the winter. {ANR&P discussion}

PORTLAND-YARMOUTH

Marine Atlantic, owner of the *Cat*, announced on 22 May that it would sail Fridays, Saturdays, and Sundays on this service, and Monday-Thursdays between Bar Harbor and Yarmouth. {website}

PORTSMOUTH-SHELBURNE

This effort [see 04#10B–*Portsmouth*] is still not moving. Comeau said it had “no financial backing.” [See *Portsmouth*.]

GLOUCESTER-SHELBURNE

In 2005 Gloucester was still expressing interest [see box 05#05B], but Comeau said “it is not in the running, there does not seem to be any interest.” {ANR&P discussion 24.May.06}

CONNECTICUT

PW: CUSTOMER CLOSING

26 April, New Haven. ***SIMKINS ANNOUNCED IT WOULD SHUTTER THE PLANT ON EAST STREET*** ‘on or about August 25, 2006,’ in a letter to plant workers from General Manager Frank Camera, citing ‘continuous and serious losses’. Founded in 1901 as the New Haven Pulp & Paper Company, Simkins makes cardboard and paper containers, folding cartons such as pizza boxes as well as specialty papers and gift boxes. The company will continue to operate its 12 additional facilities from Canada to Puerto Rico; second-generation President Leon J. Simkins remains at the helm. {*Business New Haven* 1.May.06}

Cascades owned it

On 25 April, Cascades, of Kingsey Falls, Quebec [northeast of Richmond, and not on rail–*editor*], announced it had acquired two mills from Simkins for \$US 12.5 million. ‘The board mill located in Ridgefield, New Jersey will be closed within a short period of time while the mill in New Haven will continue to operate during a transition period...Concurrently with the purchase of these assets, Cascades and Simkins entered into a multi-year Supply Agreement for the supply of recycled coated boxboard to Simkins' folding carton plants. {Cascades press release}

NEW HAVEN: RAIL TRAFFIC

22 May. ***PW MADE THE FIRST REVENUE MOVE ONTO WATERFRONT STREET***, moving two gondolas for steel coil from the Belle Dock location (across the Quinnipiac River from Waterfront Street) to the new cross-dock ramp [see 06#02B]. The stop sign facing rail traffic coming from Belle Dock was removed. {*e-mail* to ANR&P from Ed Baclawski}

A harbinger of more traffic for Logistec

Andre Dubois, Logistec’s manager of operations, said later that a shipment of steel coil had arrived about three weeks earlier. The customer, located in the Camden NJ area, asked for rail delivery as the coils are too heavy to move by truck. Dubois expected 25-30 cars would load out of the temporary dock, with the first four loaded next week.

“PW has been great to work with.... We are excited to get rail service back to the port.” {ANR&P discussion 26.May.06}

NEW HAVEN: LAND USE PLANNING

6 April. ***THE PORT AUTHORITY SUPPORTED A BILL REVIVING A SUBSIDY TO RAIL USERS*** at the port. A subsidy had existed until completion of the Tomlinson Bridge [see 04#05A and 05#09A]. Senate Bill number 587 at the General Assembly had a public hearing at the Transportation committee, and was referred to Finance, but died there. {legislative website}

Port Authority discussion

Mike Piscitelli of the Plan Department in the City of New Haven, who is providing staff assistance to the Port Authority, explained that under the bill the subsidy to a particular user would end when usable rail service is available to that user.

Commissioner Miller added that the time would be different for different terminals and he provided an update on the construction of the Waterfront Street railway. He explained that only Gateway Terminal still has trouble accessing the rail line, although efforts are now underway to construct a direct line to Gateway's docks. Commissioner Sheffele asked if anyone knew what the primary use for the rail line was before it was dismantled. Commissioner Miller responded that the use planned for it is not the same as its past use. Commissioner Sheffele pointed out that the line is being upgraded from what it had been and asked what amount of subsidy the bill is requested. Commissioner Miller said that the \$1.5 million requested will allow Gateway to be more competitive in its market and thus its provision would be in the interest of the Port Authority. Chairman Russo asked where the money would go and Mr. Piscitelli responded that if past practices were followed it would be administered by the railroad, which pays a subsidy directly to the effected terminals. Commissioner Sheffele asked if Gateway will have to pay for rail spurs for its property and Commissioner responded that it would.

Stop and Shop letter

Chairman Russo said that he had written a letter to the First Selectman of North Haven explaining that the rail line at the former Stop and Shop warehouse [now empty—*editor*] there would provide a link to the New Haven port. {text of minutes} Piscitelli later explained that the letter informed North Haven that in marketing the warehouse, North Haven should know that the warehouse has direct rail connection to the port. {ANR&P discussion 28.Apr.06}

24 May. **THE LAND USE PLANNING HAS BEGUN.** Piscitelli said that on 18 April consultants Parsons Brinckerhoff (PB) [see selection 05#11B] met with port operators and other stakeholders. Since then, PB planners have met singly with community people, city officials, and port operators to come up with a brief description of existing conditions and opportunities.

PB will present the results in a White Paper on 15 June. After that, the consultants will develop an “optimization strategy” for the port district, said Piscitelli. The Authority wants the work done by the end of the summer. {ANR&P discussion}

MAINE

MAINE RAIL SHIPPER SURVEY

19 May, Augusta. **THE SHIPPER SURVEY FOR 1Q06 EMERGED** from the Maine Public Advocate's Office, as requested by the Legislature [see 06#02A for 3Q and 4Q 2005 results]. Stephen Ward wrote the following letter to the shippers:

Dear Railroad Shipper:

Based on 101 survey responses and a response rate averaging 31%, we now can tabulate cumulative survey results on railroad service quality in Maine for the 1st Quarter 2006 and the 3rd and 4th Quarters 2005.

These cumulative results are attached to this letter and show results focusing on three railroads: Montreal, Maine and Atlantic; Guilford/Springfield Terminal; and St. Lawrence and Atlantic. Other railroads generated minimal or no comment or survey response. Of the three principle railroads identified by survey respondents, Montreal, Maine and Atlantic (MMA) ranked poorest with respect to three categories: late car placements out of total placements; empty cars delivered out of cars requested; and full cars actually picked up or delivered out of cars requested.

Guilford/Springfield terminal ranked best in one category, full cars actually picked up or delivered out of cars requested but ranked poorest in five additional categories, on a cumulative basis: 1) the number of individual complaints regarding service problems in Maine, other than a request for a switch or a car; 2) the number of contacts with personnel of a Maine railroad concerning service problems; 3) the average of number of days that placements were late compared with the date ordered; 4) the number of empty cars rejected by the shipper for any reason and; 5) the number of times service was requested but not provided at all.

Results for 1Q06

Ward's tabulations included a table showing just the results for the first quarter, as well as the results for the three quarters. The tables below contain 1Q06 figures.

In addition, the table contained comments for the first quarter:

MMA.

MMA & CN - Rail cars setting in Canada border waiting to cross for more than a week - meantime I'm running low on cars and product.

MMA - This is my 1st response to you. My only complaint relates to the sizeable rate increase increases that we are absorbing. Approximately \$500 per rail car. To a company like ours this increase in cost is not passable to our customers and a hit of \$500 + 500 cars is a huge increase in our cost structure.

MMA - We stopped using the railroad.

MMA - We feel that things are improving and look forward to the future. Our only problem is that cars are slow being set and picked up.

MMA - Need better rail service.

MMA - No complaints or comments.

MMA - Great service Jan./Feb./March 2006. Very responsive. No snow.

MMA - Service is not reliable. Can't count on train service on a regular basis.

MMA - Shortage of rail cars delayed service. Overall very good service.

MMA - Because of the Old Town mill we currently are not using the rail service.

GRS (Pan Am).

MMA & GRS/ST - No placements or shipments for the 1st quarter of 2006 from either MMA or GRS/ST.

GRS/ST - After much back and forth discussion with the railroad, they did waive demurrage for the months of February and March.

GRS/ST - We have changed shipping methods to bulk truck.

GRS/ST - No cars provided or shipped this quarter. Thanks.

GRS/ST - There has been a vast improvement in the quality of service by Guilford rail systems. Better communications at lower levels of management which minimizes the amount of time senior management needs to be involved. I hope this continues.

GRS/ST - In section #2 - we requested empty cars a total of 8 times; only 7 cars were delivered in the first quarter. #8 was delayed until the second quarter.

GRS/ST - Some of the results I have seen in previous survey recaps concern me because I believe they paint a picture that is too negative. Railroad is a difficult business and the ST operates in one of the most difficult areas of the country. One need only look at the experience of shippers dealing with the BAR becoming the CDAC becoming the MMA to understand that maybe the management at the ST does know what they are doing. They have managed to provide reasonable service at relatively low cost for many years. I may not like some of the decisions that ST management has made but, in the long run, they have probably kept a rail system operating that would otherwise largely be gone.

GRS: SATISFIED CUSTOMER

22 May, Biddeford. ***CORRECT DECK'S NEW SIDING HAS HOSTED CARS.*** The company [our *Directory* #33—see 05#11A] has sent out about ten cars of decking to Denver or Portland, Oregon, said President Marty Grohman. It has also loaded containers for shipment overseas and to the West coast.

Inbound pellets

Grohman currently is transloading pellets at Ware, Massachusetts with A&R Transport [our *Directory*

Table 1. Railroad Shippers Survey				
Ranking data from - 1st Quarter 2006				
	<u>MERR</u>	<u>MMA</u>	<u>SLR</u>	<u>GRS/ST</u>
1. Late placements out of total placements	NA	33.7%	7.1%	19.3%
RANK		1	3	2
2. Empty cars delivered out of cars requested	NA	79.7%	100%	98.0%
RANK		1	3	2
3. Full cars actually picked up/delivered out of cars requested	NA	90.1%	100%	215%
RANK		1	2	3
4. Rank for number of complaints	X	2	3	1
5. Rank for service quality contacts	X	2	3	1
6. Rank for average days late by number of days	X	2	3	1
7. Rank for empties rejected	X	2	2	1
8. Rank for non-delivery of any car	NA	2	3	1
Average rank (4+5+6+7+8÷5)	NA	2	2.8	1
1 is worst, 3 is best for each ranking				

Calais branch money

Jack Sutton, president of Downeast Rail, asked Elder whether the department could take the scrap value of the steel rail coming out of the Calais branch section which is becoming a trail [see 06#04B], and use it for IRAP. Elder replied that he had argued for that, but “the battle is now over.” The money will be used for the trail.

A CHANGE IN RAIL POLICY

To the audience, Elder reported that MDOT was issuing two documents later this year.

Freight plan. The third version of the freight plan is coming out this summer or autumn.

20-year plan. This document encompasses the whole department, and considers new ways of funding highways.

Both documents discuss “aggressive funding of the IRAP” and Elder urged the audience to attend hearings about them and speak out for rail.

Secondary rail advantage. MDOT is beginning to consider, in its funding of various modes, the savings produced by rail programs when fewer trucks translate into less wear on the state’s highways and bridges. This becomes especially significant when the cost of highway construction is rising three times as fast as the consumer price index.

Public awareness. Elder predicted a “vast expansion” in rail because of energy costs, and concern about security, “when the public has woken up” to the advantages of rail.

Using state contracts to favor rail. Asked by your editor whether MDOT had given thought to this concept, Elder reported:

- MDOT looked at using rail when a contract for paint beads (used to provide the reflectivity of road paint) came up. Maintenance and Operations attempted to use the SLR to deliver them, but the supplier wanted to use truck. “We use a lot of them and they could arrive by railcar.”

- When the highway salt contracts came up, “we called railroads.” “It will take a few times [efforts to use rail for state contracts] for this to happen,” Elder said later, but it will. {ANR&P coverage}

*Mini-editorial***FULL COSTING FOR STATE CONTRACTS**

I have long advocated that the department give bonus points to contractors who deliver materials to the state by rail. The bonus could be calculated by figuring the decreased wear on the state highway system; I would also call for full environmental costing.

MAINE & CO: RAIL ADVANTAGE

20 May, Rockland. **BUSINESS LOCATORS MUST KNOW THE STATE HAS AN EXCELLENT COMPETITIVE ADVANTAGE IN RAIL**, Matt Jacobson told the Rockland audience [see above]. Jacobson is president of Maine & Company which assists businesses looking to locate in Maine to find locations, obtain available funding, and so forth.

Jacobson argued against competing with other states on the basis of cost alone. Rather, he spoke of “sustainable competitive advantage,” for example in low worker turnover and high worker productivity.

The SLR and the MMA provide one such advantage, he noted, with the SLR tied to CN, the best railroad in North America, and MMA tied to CPR, arguable the second best railroad. He adding that MMA has in Fred Yocum and Ed Burkhardt, among others, world-class railroaders. “Site locators, as well as local cities and towns, should know the power of rail.”

For example, when FMC Biopolymer went to the Rockland City Council to discuss expansion, “no one spoke for them.” Yet FMC gets carriage by intermodal container via Auburn. “If not for the railroad, the business would not be here in town.”

What about the other railroad?

Asked by your editor whether he also saw an opportunity to work with Guilford, Jacobson said yes. He noted during the Ice Storm of 1998, he had worked very closely and very well with GRS President Tom Steiniger.

And the North American rail network?

I also asked Jacobson whether MMA or SLR, while providing great local service, could find service once the traffic reached the Class Is, as the latter are reportedly moving away from the “onesy-twosy” type of traffic toward unit trains. He is “convinced” that Maine’s railroads can put together blocks of cars from which “the Class Is will make a buck.” {ANR&P coverage}

MAINE - WEED SPRAYING

4 May. **RWC, INC. OF WESTFIELD, MASSACHUSETTS HAS BEEN CONTRACTED BY RAILROADS AND INDUSTRIES** ‘to spray WEEDS, GRASS & BRUSH in the ballast areas, shoulder and berm area...’

Railroads

Boston & Maine Railroad, Maine Central Railroad, Belfast Moosehead Lake Railroad, Montreal, Maine & Atlantic Railway, Maine-State owned Railroad tracks, Maine Eastern Railroad, St. Lawrence & Atlantic Railroad, Turners Island LLC.

Industries

Presque Isle Industrial Council, International Paper Mill (Jay), Sappi Fine Paper Mill (Hinckley), City of Saco Railroad, and Town of Fort Fairfield.

‘Application will begin on or about the week of May 14, 2006, and will be completed by the week of October 30, 2006. Should there be any questions concerning these products or their application, please contact Brian S. Chateauvert at (413) 562-5681.’ {Bangor Daily News 17.May.06}

SLR: INTERMODAL DOWN AGAIN?

10 May, Greenwich CT. **GWI REPORTED A DECLINE IN INTERMODAL CARLOADS AND INTERMODAL REVENUE** for the first quarter of 2006 versus 2005: 1,035 versus 1,143. This continues a decline noted in November [see 05#11B], which was attributed to a significant drop in lifts at GWI’s Arkansas intermodal facility. Revenue dropped from \$501,000 to \$451,000.

Overall, though, GWI carloads grew (with acquisitions) from 164,786 to 208,774 in the same quarter. {10-Q GWI report}

SLR has only intermodal?

GWI’s Arkansas Louisiana & Mississippi Railroad operated an intermodal ramp in Crossett, Arkansas, until 31 March 2006, when it closed. {ANR&P discussion with official there 11.May.06} GWI did not mention this fact in the 10-Q, nor draw attention to the company drop. *Editor*

Charlie Marshall, former GWI vice-chair, explained that ‘the Crossett operation was set up by Georgia-Pacific years ago as an inventory management device. Traffic has declined there, and connecting service is poor for the very light intermodal volume. The traffic was unprofitable for us and had no prospects of growth. At a time when intermodal is growing generally, the assets can better be used in markets which really need them.

‘Remember, it is doublestack that is experiencing most of the growth, not conventional trailer business, and it is doublestack that makes intermodal profitable. Crossett was a trailer operation.’ {e-mail to ANR&P 11.May.06}

PORTLAND: LARGEST OIL PORT

2 May. **PORTLAND AGAIN HAD THE LARGEST TONNAGE IN NEW ENGLAND** with 29.9 million short tons, and ranked as the largest oil port on the East coast with 29.3 million short tonnes. [Which converts to 26.6 million metric tonnes. Saint John had 26.1 million metric tonnes-see 06#02B. New York has 25 million+ short tons of general cargo. Actually, all oil lands in South Portland. *Editor*]

Figures compiled by the Army Corps of Engineers also show Portland to be the nation’s 25th largest port and the largest when measured by incoming cargo destined for another location, City Transportation Director Jeffrey Monroe said. {AP in Lewiston Sun-Journal 3.May.06}

MASSACHUSETTS

COMMUTER: GROW GLOBALLY?

17 May, Boston. **A GROUP OF 28 LEGISLATORS CALLED FOR \$2.2 BILLION TO EXPAND COMMUTER RAIL** west to Springfield, northwest to Fitchburg, northeast to Lynn (Blue line), south to New Bedford and Fall River, and southeast to Wareham. A Massachusetts Rail Transit Fund would cover all projects, to eliminate the competition among them.

The bill, supported by 28 legislators representing the urban centers seeking commuter rail, also has the support of environmental and planning groups like The Sierra Club, MassPIRG and Move Massachusetts, as well as labor organizations. “If we stay within the same bonding system we have now, these projects will never happen,” said State Representative Antonio Cabral (D, New Bedford) at a Statehouse press conference.

Once the bond is in place, several sources of tax revenue would pay it back at nearly \$200 million per year: Two cents per gallon of the state's 21-cent gasoline tax would be dedicated to the fund, totaling \$65 million per year; 1% of the existing tax on motor vehicle sales statewide, a total of \$117.8 million; and \$15 million from fees paid at the Registry of Motor Vehicles, money which had been set aside to fund the Big Dig. {Aaron Nicodemus in New Bedford *Standard-Times* 17.May.06}

Connection to Hartford

Representative Sean F. Curran (D, Springfield) said supporters need to first focus on winning money for the Hartford to Springfield line. The state's share would be between \$30 million and \$50 million. “Once you have the Hartford to Springfield connection, you'll have a major push to build the line to Worcester.” {Dan Ring in Springfield *Republican* 18.May.06}

[CSXT told the Commonwealth some time ago that any expansion of rail service to Worcester would require a third track between Boston and Worcester. *Editor*]

BCLR: CUSTOMER UPDATES

24 April, **DARTMOUTH BUILDING SUPPLY HANDLED ITS FIRST CAR** recently, according to Bernie Reagan, BCLR marketing honcho. The new siding, anticipated for two years [see 04#05A], means DBS no longer needs to use the Colonial Beverage [our *Directory* #295] siding.

DBS' new siding provides access to a dock to unload boxcars, and a flat area to unload centerbeams. In the autumn, workers will make the siding double-ended.

Mirant

Reagan reported construction underway at the Mirant Canal plant, permitting it to bring in ammonia [see 05#08A]. {*ANR&P* discussion 24.Apr.06}

17 May, Middleboro. **AN INDUSTRIAL PARK HERE WILL HAVE RAIL ACCESS**. The plan was revealed on 27 April: Timothy Higgins, vice president of Edgewood Development Company, LLC, said Sippican Commerce Park (formerly called Gateway Commerce Park) will utilize 127 greenfield acres at the Rochester town line. Road access will come off Wareham Road westward; when it crosses BCLR tracks, it will reach the park. Higgins said BCLR has already discussed a rail spur. {Alice Elwel in Brockton *Enterprise* 30.Apr.06}

Reagan said this day that Sippican will build the spur when the park has a tenant wanting rail; he is already in discussions with a couple. {*ANR&P* discussion 17.May.06}

CSXT: NO NEW CUSTOMER

16 May, Medfield. **SELECTMEN DECIDED TO LET WHEELABRATOR HANDLE ITS REFUSE**. Despite a Town Meeting decision to revisit the issue of a study of a rail-served municipal waste transfer station [see 06#04B], the Selectmen voted to renew the Wheelabrator contract for 20 years. Town Administrator Mike Sullivan noted that the contract permitted termination after ten years, “and ten years isn't that long a period of time.” {Jessica Scarpati in *Medfield Press* 18.May.06}

GRS: NEW ENGLAND TRANSRAIL

27 April, DC. **THE NATIONAL SOLID WASTE MANAGEMENT ASSOCIATION ARGUED THE STB HAS NO**

JURISDICTION over the proposed short line in Wilmington and Woburn [see 06#04B], joined by the Solid Waste Association of North America and its Massachusetts chapter, the Massachusetts Municipal Association, the Construction Materials Recycling Association, the Integrated Waste Services Association, and New Bedford Waste Services (collectively, the ‘Coalition Parties’). The Coalition wanted the STB to act in an expedited fashion on the question, so that Coalition parties and others would not have to ‘meaningfully respond’ to the request for comment on environmental impact by the Board’s Section of Environmental Analysis (SEA). The SEA has asked for comments by 12 May.

In particular, the Coalition asked the Board to postpone the comment period until it had dealt with the jurisdictional question. {STB Docket No. 34797 filed 27.Apr.06}

17 May, DC. **NET RESPONDED, NOTING THE BOARD HAD ALREADY EXAMINED THE JURISDICTION QUESTION.** On 10 March, said NET, the Board dismissed a petition by the Coalition arguing the jurisdiction question. The decision stated: ‘the Board and the courts already have developed a considerable body of law addressing the reach of federal pre-emption under section 10501(b) and that any determination of whether a service constitutes ‘transportation’ and thus is subject to STB jurisdiction should be based on ‘specific facts and circumstances’ developed on a case-by-case basis.

NET asked the SEA to move ahead, underscoring that under the federal statute the Board cited to institute the instant proceeding, 49 U.S.C. 10502(b), the STB had to complete the environmental review and render a decision within nine months of 3 March 2006, when it instituted the proceeding [see 06#03A]. {NET filing in Finance Docket No. 34776}

[As of 25 May, the STB had not postponed the SEA comment period. Presumably proponents and opponents are filing. Editor]

MCER: NO C&D YET

18 May, Ware. **AB C&D RECYCLING HAS NOT LOADED ANY RAILCARS YET.** [See 06#03A and our *Directory* #365.] Richard O’Riley, president, called traffic “very, very slow. The bottom is falling out of the market; I do not have enough volume to move by rail.” It is moving by truck now. {ANR&P discussion}

MCER: CHANGE OF MANAGEMENT


18 May, Palmer. **FINGER LAKES AND MCER’S OWNER AGREED TO END THE MANAGEMENT AGREEMENT**, said Mike Smith of FGLK, who oversaw MCER under the agreement made in 2002 [see 02#07B]. “Managing the railroad was consuming more managerial time than we were compensated for.” In addition, “opportunities presented themselves in New York State” to which FGLK wanted to devote itself. “We wrote Dick [Richard Close, president and principal owner–*editor*] that we would either resign the account, or get more money.”

Close decided not to pay more money so the two parties amicably set 31 May as the changeover date. As for the succession, Smith said FGLK had “recommended that Gary Hoepfner take responsibility for managing” in addition to his chief financial officer position. “That will save a considerable amount versus bringing in an operations manager.”

Smith was positive about the railroad. “It remains a nice little property.” The lack of a lease agreement with the state for the EOT track which MCER uses is frustrating. If Close could reach agreement, “that would help to stabilize situation” and make the line “attractive for sale.”

Gary Hoepfner now managing

Hoepfner said that his title remains vice-president and chief financial officer. “I will be running things, with the same department heads” and the same operating personnel who were in place before the FGLK management contract. {ANR&P



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discussion 25.May.06}

End of lease on container cars

The termination of a lease on 20 container cars, notice of which was filed with the STB's Rail Recordation system on 2 May, had no connection to the change of management, said Smith. MCER once operated a significant intermodal terminal [see 98#23 and 98#24] and as part of that "had a substantial fleet" of free running cars. MCER had leased these 20 from Bombardier Capital Rail; because they are older types, "there's not a demand for them and MCER let them go when the lease expired." {ANR&P discussion 18.May.06; Recordation Number:20020-F, Document Date:04/26/2006}

NEW HAMPSHIRE

PORTSMOUTH

24 May. **PORT DIRECTOR GENO MARCONI PROVIDED AN UPDATE** on traffic.

Containers

No moves have happened since the trial in January [see 06#01A]. Marconi is working on another move, but could disclose "no specifics" at this point.

Salt: Granite State objection

On 19 January, the board of directors of the Pease Development Authority (PDA), which manages the Market Street Terminal, voted to extend the license of the International Salt Company to use the terminal, from 1 June 2006 to 31 May 2007. The license included a minimum revenue to the port of \$225,000 with storage area rental at \$58,000 per acre.

ISCO wanted a two-year extension. Its representative, James Hood, argued that the company had been a good tenant and a two-year extension would permit ISCO to prepare bids for the long term.

Robert Shaines, attorney for Granite State Minerals, stated that Granite State is a small company providing jobs and revenues to the State. He asked that the contract extension be limited to one year to allow all options at the Port to be explored. Bill Creighton of Granite State Minerals requested that the footprint remain the same and not expanded by one-half acre. George Bald, PDA Executive Director, pointed out that the contract is for one year and for the current footprint.

Geno Marconi, Division Director, explained that ISCO has requested an additional half acre, but that there is no additional space available and that the motion as amended is for the one year contract only. {PDA minutes from website}

On 24 May, Marconi said that by renewing in January, ISCO can be assured of a space when it bids on salt contracts in May.

Scrap

On 18 May, the PDA board agreed to extend for another year the Grimmell contract to export scrap [see 04#09B *Maine SLR*], said Marconi. {ANR&P discussion}

At the 19 January meeting, Marconi reported that a ship chartered by Grimmell had unloaded road salt, and then loaded scrap. {PDA minutes from website}

NH ROAD SALT

25 May, Concord. **BIDS ARE DUE ON THIS DATE.** [see 05#08B].

VERMONT

VRS: RUTLAND RAIL YARD

17 May, Rutland. **MATTHEW STERNBERG ANNOUNCED HE IS STEPPING DOWN** as the executive director of the Rutland Redevelopment Authority. For the last six years, Sternberg has spent the majority of his time advancing an

improvement to the western rail corridor, including specifically moving the Rutland rail yard out of downtown [see 06#04B]. Sternberg's knowledge and leadership will be sorely missed in the pursuit, according to Rutland Mayor John Cassarino. “I think Matt is probably the most visionary person I've ever met when it comes to rail in Vermont. It's my hope that others in the state's transportation administration, including the governor, open their eyes to the potential here.”

Sternberg predicted his successor will be able to move that project and other development initiatives along. “What I succeeded in doing was getting Rutland stabilized. While I was brought in to stop a disaster from happening, my successor will have an opportunity to move things forward.”

The city is searching for a successor. Sternberg may not leave until the end of the summer. {Brent Curtis in Rutland Herald 18.May.06}

Charlie Miller, former rail coordinator at VAOT, wrote: ‘Matthew has been the critical person in the Railyard Relocation project as well as a strong proponent for the western corridor. He will be missed.’ {e-mail to ANR&P 18.May.06}

QUEBEC/MARITIMES

CN: NEW CUSTOMER

8 May, Shelburne. **BLACK BULL SENT OUT ITS FIRST SHIPMENT OF WHITE QUARTZ BY RAIL** to a US customer, who has bought 100 tonnes and anticipates increasing need. The company will send out a second order of two containers of product to another customer. Both customers will use the product in the swimming pool industry.

ABOUT BLACK BULL

Black Bull Resources Inc. operates the White Rock Mine near Shelburne, producing white quartz marketed under the Scotia White™ trademark used in a range of value-added, specialty products. The White Rock Property also contains an identified resource of kaolin and mica which the Company plans to further develop.

The product is produced in bagged form, or in bulk form. Its sales resulted from marketing efforts with its US partner, US Silica Company. {company press release from company website}

How rail is used

Barry Grundy, CEO, said on 25 May that Black Bull has shipped bulk by trucking a 100-tonne order to Truro for transloading into a rail car. It also ships in one-cubic-meter bulk bags, and in 100-pound and 50-pound bags, palletized, in containers.

Not barge yet

Ralph Belfiore, who is promoting a barge or ferry service between Shelburne and Portsmouth [see 04#10B *Portsmouth*] wrote on 24 May: ‘I gave them quotes for hopper barge deliveries to Florida, NY/NJ and Galveston TX. Also rail quotes from NH to central parts of the US. They said it was too expensive this way.’ {e-mail to ANR&P}

Grundy said that Mayor Comeau [see below] had encouraged Black Bull to use the port. He anticipated sending containers via ship to the farther points of the US Eastern seaboard, where the sea lane would be more economic. Barge would become suitable for landscape stone when he has orders in the 5,000-tonne range. {ANR&P discussion with Grundy 25.May.06}

CN: HALIFAX INTERMODAL SERVICE

HOW WELL DID CN PERFORM IN MARCH?

CN states that it is providing adequate cars to the three intermodal terminals in Halifax. To measure that, it provides a metric stating the ‘feet of train’. To understand whether this suffices, one has to translate the feet of train to TEU slots, and then compare that number to the TEUs arriving and departing the city.

Part I (THIS ISSUE). *Below I describe the statistics from CN indicating the feet of train, and how it varies. Next, I analyze the TEU statistics from the Port of Halifax. Comments from users indicate not only that the feet provided in March sufficed, but that CN is doing even better in April and May.*

Part II (NEXT ISSUE). *In the next issue, I will report on the overall service, describing the trains, the schedule, and the*

number of trains operating at any one time.

FEET OF TRAIN

Length changes

CN and other stakeholders use the metric ‘feet of train’. Under the IMX concept, CN continually reviews market conditions to match capacity with demand in the Halifax- Montreal- Toronto- Chicago corridor. As market conditions change, CN will change the length of the trains and the number of slots available. For example:

April 2005. Janice Murray, vice-president of network strategy development, told the 9th Annual CTA/RAC Workshop in Ottawa, Ontario, that at that time CN employed for Halifax:

- Fully scheduled import-export environment
- Service to Montreal (2nd morning), Toronto (3rd morning), Chicago (4th morning)
- CN moves 10,000 feet of container traffic in and out of the port daily. {Power-point presentation 14.Apr.05 from web}

November 2005. In October 2005, China Shipping began calling Halterm [see 05#11B]. In November, CN spokesperson Mark Hallman wrote later, the railway was ‘running an increase in capacity of more than 20%, to about 11,800 feet per day, for a total increase of about 400 FEUs (800 TEUs) per week, or 21,000 FEUs (42,000 TEUs) per year.’ {e-mail to ANR&P from Hallman 20.Feb.06}

February 2006. Paul Waite of CN wrote to George Kuhn of the Canadian International Freight Forwarders Association about the resumption of Maersk calls to Halterm: ‘Let me assure you that we have been working with both Maersk and the Port of Halifax for some time on this move. We have brought on line an additional 1200 platforms in the last two weeks and have ordered new TTX wells in addition. We have the power, the crews and the rail infrastructure in place. We are ready!!!’ {courtesy Kuhn} [See 06#02B.]

March 2006. On 23 March, wrote CN spokesperson Mark Hallman, CN was ‘moving about 11,000 feet of traffic per day to and from the Port of Halifax. This equated to about 600 TEUs per day, and suffices to handle demand. There may on occasion be a bit of delay/bunching when a vessel is late, but there are no supply issues with current train lengths.’ {e-mail to ANR&P}

[Hallman’s figure applies only one way. For example, on 24 April, train #121 left with 112 cars, equalling 7800 feet. {AtlanticRails 25.Apr.06}]

Therefore the TEUs total 1200 per day or 36,000 TEUs per month.

TEUs BY RAIL THROUGH HALIFAX IN MARCH

Percentage of containers moving by rail. From the Inland Terminal Study [see 06#03B] we learn that 60% of containers through the port move by rail. Assume that equals 60% of TEUs.

HPA statistics show that for 1Q06 overall TEUs increased 0.1% to 121,452 from 121,399.¹ Assume that for March HPA had 45,000 TEUs, as Maersk started in February [see 06#03A]. So 60% of the 45,000 moving by rail = 27,000.

Domestic intermodal figures for March, I estimate from the Inland Terminal Study, which put total 2004 at 25,000 units. I

¹ Obtaining this statistic from the Public Affairs portion of the Halifax Port Authority (HPA) proved impossible despite repeated requests. However, a writer in Halifax, Jay Underwood, obtained from another HPA office the quarterly figures I use here.

In response to my query as to how Mr. Underwood could obtain figures, but I could not, the ‘communications officer’ wrote: ‘I can’t speak to what Mr Underwood writes but one thing is certain: neither he nor anyone else has received numbers from me since the end of 2005.

‘When the numbers are ready for broader consumption than that of our customers, they will be once again posted to the website.’

Earlier she wrote: ‘It may still be a few months before we have either monthly or quarterly stats available.’ [That is, available for the great unwashed public. *Editor*]{e-mails to ANR&P}

assume the Halifax Intermodal Terminal (HIT) shrunk to an annual 24,000 by March 2006, and that each unit equals 2 TEUs, so that March would have 4,000 TEUs from HIT.

Total TEU slots needed. Adding the 27,000 TEUs from HPA to the 4,000 TEU slots from HIT yields a total need of 31,000, well under the 36,000 TEU slots supplied by CN.

COMMENTS FROM USERS

If the figures supplied by CN roughly match the need of the port, do users report good service in March from CN?

Fritz King, chair of the Halifax Shipping Association and manager for ACL in Halifax, wrote: ‘The average dwell time for units at the port in March was roughly 4.5 days as opposed to a goal we use of 90% out within 48 hours. March was the most challenging month for rail within the quarter, as exports to the port were down reducing natural eastbound car positioning; there were more ship delays in March than on average therefore causing more 'bunching' of cargo; and as well a derailment was also thrown in the mix.

‘In April rail performance improved and May so far has been quite positive.’ {e-mail to ANR&P 19.May.06}

Ceres’ Scott Anderson said: “CN [over the last months has given] very good service to this terminal. Three times in March we were cleaned out.” {ANR&P discussion 18.May.06}

[Part II will emerge next issue.]

HALIFAX

25. May. **SIGNIFICANT DOCUMENTS ARE NOT YET READY FOR THE PUBLIC**, Anna Selig of the Greater Halifax Regional Partnership reported. {e-mail to ANR&P}

In December, the Halifax Gateway Council had completed a strategic plan and an economic impact study. Jim Frost, Council director, was working on a vision document and action plan. [See 05#12A.] Frost has not returned numerous phone calls and e-mails about the status of these documents. *Editor*

SHELburne

24 May. **THE PORT SEEKS \$10 MILLION FOR EXPANSION**, said Mayor P.G.Comeau. It has commissioned an engineering profile; it will pay for the work with federal, provincial, and local monies.

The port continues [see 00#03] to receive weekly calls from Eimskip (about 40-80 lifts per week total import and export), and also calls by Green Reefers, whose ships can also handle some containers. Cargoes still include autos, houses, fish, and other bulk freight.

Black Bull [see above] will ship its white quartz in bulk using barges, and in bags using containers. {ANR&P discussion}

RAIL SHIPPERS

Described in this issue.

Our Directory of Rail Shippers & Receivers in New England has more information on the companies denoted with their directory number.

AB C&D (MCER, Massachusetts #365)

Black Bull (CN, Nova Scotia)

Correct Deck (GRS, Maine #33)

Dartmouth Building Supply (BCLR, Massachusetts #295)

International Salt (Regional, and New Hampshire)

Logistec (PW, Connecticut #545-1)

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IN NEW ENGLAND

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Simkins (PW, Connecticut #543)

PEOPLE

Stephen Wilson has joined **Alliance Shippers** as assistant vice-president operations, overseeing railcar, intermodal, and truck brokerage operations. Wilson previously worked for Unyson. He will work out of the Keasbey, NJ office.

EDITORIAL

EVALUATING MAINE RAIL SERVICE

Comparing the tenor of the comments, and the numerical performance, between 3Q-4Q05 and 1Q06 in Maine [q.v.], I am struck by the improvement in GRS results. While Guilford still ranked worst in the five averaged criteria, it improved markedly in most areas, such as number of times service not provided at all.

Worrisome is the MMA result, showing worse figures in areas such as late placement. And that before the Tafisa and G-P shutdowns forced a curtailment of service.

Of course, once again SLR deserves congratulations as the leader far and away in giving good service.

Finally, I am concerned about the responses. The Public Advocate's Office should make every effort to get the same shippers to respond. May we ascribe the difference in cars handled to seasonal fluctuation, or to the fact that some GRS shippers did not respond while some additional MMA shippers did? A set of same shipper responses would provide the best measure of service.

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Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue's updated stories (those without an asterisk).

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Atlantic Northeast Rails & Ports, née *Maine RailWatch* (1994-1997) and later *Atlantic RailWatch* (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire unto itself.’

Letter to the editor:

*You have an excellent publication, and I
always look forward to reading it.*

Jan Okolowicz, Parsons Brinckerhoff